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**Examination Of
Financial Statements
Fiscal Year 1969** B-114867

Gorgas Memorial Institute Of
Tropical and Preventive
Medicine, Incorporated

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

JAN. 13, 1970

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-114867

To the Board of Directors
Gorgas Memorial Institute of Tropical and
Preventive Medicine, Incorporated

The General Accounting Office has made an examination of the financial statements of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Incorporated - a private domestic nonstock corporation - for the fiscal year ended June 30, 1969, pursuant to the act of May 7, 1928 (22 U.S.C. 278a).

Our review included an examination of the Institute's statement of assets and liabilities as of June 30, 1969, and the related statements of contributions and other income and expenditures and changes in equity for the year then ended. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements (schedules 1 through 3) present fairly the assets and liabilities of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Incorporated, at June 30, 1969, and the contributions and other income and expenditures and changes in equity for the year then ended, in conformity with accounting practices followed by similar-type nonprofit organizations applied on a basis consistent with that of the preceding year except for a change, with which we concur, in the policy of accounting for materials and supplies as described in note a to schedule 1.

A handwritten signature in dark ink, reading "James B. Ratto", is positioned above the title of the Comptroller General.

Comptroller General
of the United States

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FINANCIAL STATEMENTS

GORGAS MEMORIAL INSTITUTE
OF TROPICAL AND PREVENTIVE MEDICINE, INCORPORATED

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1969 AND 1968

A S S E T S

	June 30	
	<u>1969</u>	<u>1968</u>
CURRENT ASSETS:		
Cash in banks and on hand	\$ 161,283	\$ 140,163
U.S. Treasury bills at cost	98,462	98,599
Accounts receivable	22,545	71,191
Materials and supplies (note a)	24,995	-
Other	<u>7,314</u>	<u>1,831</u>
Total current assets	<u>314,599</u>	<u>311,784</u>
ENDOWMENT FUNDS:		
Cash	5,787	3,969
Investments at cost (schedule 4)	89,141	81,832
Accrued interest receivable	<u>15</u>	<u>15</u>
Total endowment funds	<u>94,943</u>	<u>85,816</u>
FIXED ASSETS (note b):		
Land and building donated by Republic of Panama (note c)	336,750	126,750
Other buildings and building improvements, at cost	664,192	661,995
Laboratory and other equipment, at cost	<u>324,277</u>	<u>317,850</u>
Total fixed assets	<u>1,325,219</u>	<u>1,106,595</u>
Total assets	<u>\$1,734,761</u>	<u>\$1,504,195</u>

^aThe Institute adopted, effective July 1, 1968, a policy of recording purchases of materials and supplies as an asset and charging operating expenditures on the basis of the cost of materials and supplies used, whereas in prior years the cost of purchases was charged to operating expenditures.

^bThe Institute does not record depreciation of its fixed assets.

^cThe Institute's title to land and building donated in 1930 (appraised value of \$126,750) is contingent upon its continued use for research activities. The Institute's title to land donated in 1969 (appraised value of \$210,000) is contingent upon the construction of the Gorgas Memorial Regional Medical Library within 5 years and additional biomedical research facilities.

LIABILITIES AND EQUITY

	June 30	
	<u>1969</u>	<u>1968</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 22,192	\$ 29,546
Unexpended balances of research grants received from the Department of Health, Education, and Welfare and the U.S. Army Medical Service	9,232	62,761
Unexpended balance of research contract received from the Panama Canal Company	-	69,347
Total current liabilities	<u>31,424</u>	<u>161,654</u>
EQUITY (schedule 3):		
Unexpended contributions and income	283,175	150,130
Endowment funds	94,943	85,816
Land and building donated by Republic of Panama	336,750	126,750
Investment in other fixed assets	<u>988,469</u>	<u>979,845</u>
Total equity	<u>1,703,337</u>	<u>1,342,541</u>
Total liabilities and equity	<u>\$1,734,761</u>	<u>\$1,504,195</u>

SCHEDULE 2

GORGAS MEMORIAL INSTITUTE
OF TROPICAL AND PREVENTIVE MEDICINE, INCORPORATED
STATEMENT OF CONTRIBUTIONS AND OTHER INCOME AND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 1969 AND 1968

	<u>1969</u>	<u>1968</u>
CONTRIBUTIONS AND OTHER INCOME:		
Contributions:		
U.S. Government	\$ 500,000	\$ 500,000
United Fruit Company	-	10,000
Research grants:		
Public Health Service and Army Medical Service	492,648	412,453
Pan American Sanitary Bureau	129	22,845
Research contracts:		
Army Medical Service	49,987	36,167
Panama Canal Company	69,347	26,119
Other income	<u>14,389</u>	<u>17,884</u>
Total contributions and other income	<u>1,126,500</u>	<u>1,025,468</u>
OPERATING EXPENDITURES (note a):		
Panama:		
Salaries	638,134	581,590
Social Security taxes	35,849	33,007
Contributions under retirement and group insurance plans	26,536	23,275
Travel allowances	20,975	18,190
Materials, supplies, and drugs (note b)	65,398	94,073
Laboratory animals:		
Maintenance	31,142	24,934
Purchases	12,226	11,934
Fieldwork	13,951	13,510
Building maintenance	16,669	15,696
Utilities	43,932	42,214
Equipment maintenance and operation	13,457	9,337
Publications and reprints	3,709	2,998
Rent	2,000	-
Miscellaneous	<u>4,380</u>	<u>4,757</u>
Total, Panama	<u>928,358</u>	<u>875,515</u>
Washington:		
Salaries	28,495	26,196
Rent	4,071	3,966
Miscellaneous	<u>5,288</u>	<u>4,245</u>
Total, Washington	<u>37,854</u>	<u>34,407</u>
Total operating expenditures	<u>966,212</u>	<u>909,922</u>
EXCESS OF CONTRIBUTIONS AND OTHER INCOME OVER OPERATING EXPENDITURES	160,288	115,546
EXPENDITURES FOR FIXED ASSETS	<u>27,243</u>	<u>72,358</u>
EXCESS OF CONTRIBUTIONS AND OTHER INCOME OVER OPERATING AND FIXED ASSET EXPENDITURES (schedule 3)	<u>\$ 133,045</u>	<u>\$ 43,188</u>

^aThe Institute does not record depreciation of its fixed assets.

^bSee note a to schedule 1.

GORGAS MEMORIAL INSTITUTE
OF TROPICAL AND PREVENTIVE MEDICINE, INCORPORATED

STATEMENT OF CHANGES IN EQUITY
FISCAL YEAR ENDED JUNE 30, 1969

	Unex- pended contri- butions and <u>income</u>	Endow- ment <u>funds</u>	Land and building donated by Re- public <u>of Panama</u>	Invest- ment in other fixed <u>assets</u>
BALANCE AT BEGINNING OF YEAR	\$150,130	\$85,816	\$126,750	\$ 979,845
ADDITIONS:				
Excess of contributions and other income over operating and fixed as- set expenditures (schedule 2)	133,045	-	-	-
Interest and dividends	-	9,127	-	-
Land donated by the Repub- lic of Panama for con- struction of a regional medical library, and ad- ditional biomedical re- search facilities, at appraised value	-	-	210,000	-
Building improvements	-	-	-	2,197
Laboratory and other equipment	-	-	-	<u>25,071</u>
	283,175	94,943	336,750	1,007,113
DEDUCTIONS:				
Laboratory equipment written off	-	-	-	<u>18,644</u>
BALANCE AT END OF YEAR (schedule 1)	<u>\$283,175</u>	<u>\$94,943</u>	<u>\$336,750</u>	<u>\$ 988,469</u>

GORGAS MEMORIAL INSTITUTE
OF TROPICAL AND PREVENTIVE MEDICINE, INCORPORATED

ENDOWMENT FUND INVESTMENTS

JUNE 30, 1969

	<u>Cost</u>	<u>Market or redemption value</u>
INVESTMENTS:		
Foreign government bonds:		
\$2,000 Republic of Colombia, 3 percent, external sinking fund, due October 1, 1970	\$ 1,671	\$ 1,900
Stocks:		
588 shares, Boston Fund Inc., par \$1	3,963	5,004
636 shares, Massachusetts Investors Trust, par \$1	5,525	10,004
610 shares, Massachusetts Investors Growth Stock Fund, Inc., par \$1	2,373	7,442
305 shares, Fundamental Investors, Inc., par \$2	2,063	3,007
303 shares, Loomis-Sayles Mutual Fund, Inc., par \$1	3,935	4,548
903 shares, Loomis-Sayles Capital Devel- opment Fund, par \$1	11,467	10,972
437 shares, State Street Investment Corporation, no par	20,315	21,959
822 shares, Adams Express Co., par \$1	10,786	12,330
1,043 shares, Lehman Corporation, par \$1	13,838	22,555
304 shares, Madison Fund, Inc., par \$1	8,224	8,322
206 shares, T. Rowe Price Growth Stock Fund, Inc., par \$1	<u>4,981</u>	<u>5,059</u>
Total investments (schedule 1)	<u>\$89,141</u>	<u>\$113,102</u>